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NOTE BY THE SECRETARY-GENERAL

The Secretary-General has the honour to transmit to the members of the Security Council the attached communication which he has received from the Director General of the International Atomic Energy Agency (IAEA).

Annex

Letter dated 8 April 1993 from the Director General of the International Atomic Energy Agency addressed to the Secretary-General

Paragraph 8 of resolution 715 (1991), adopted by the Security Council on 11 October 1991, requests the Director General of the International Atomic Energy Agency to submit to the Security Council reports on the implementation of the Agency's plan for future ongoing monitoring and verification of Iraq's compliance with paragraph 12 of resolution 687 (1991). These reports are to be submitted when requested by the Security Council and, in any event, at least every six months after the adoption of resolution 715. The first two reports were submitted to you on 11 April and 30 September 1992, and distributed to the Security Council as S/23813 (15 April 1992) and S/24722 (28 October 1992), respectively.

Accordingly, I am requesting you to kindly transmit to the President of the Security Council the enclosed third six-month report on the implementation of the Plan and remain available for any consultations you or the Council may wish to have.

(Signed) Hans BLIX

THIRD REPORT OF THE DIRECTOR GENERAL OF THE INTERNATIONAL ATOMIC ENERGY ON THE IMPLEMENTATION OF THE AGENCY'S PLAN FOR FUTURE ONGOING MONITORING AND VERIFICATION OF IRAQ'S COMPLIANCE WITH PARAGRAPH 12 OF RESOLUTION 687 (1991)

1. On 11 October 1991, the Security Council adopted resolution 715 (1991) approving, inter alia, the plan submitted in document S/22872/Rev.1/Corr.1 by the Director General of the International Atomic Energy Agency for future ongoing monitoring and verification of Iraq's compliance with paragraph 12 of Part C of Security Council resolution 687 (1991) and with the requirements of paragraphs 3 and 5 of resolution 707 (1991). In paragraph 8 of resolution 715, the Security Council requested the Director General of the IAEA to submit to it reports on the implementation of the plan when requested by the Security Council and, in any event, at least every six months after the adoption of resolution 715. The first two reports submitted by the Director General were circulated on 15 April 1992, as S/23813, and 28 October 1992, as S/24722, respectively.

2. The Director General hereby submits the third six-month report on implementation of the plan for future ongoing monitoring and verification related to Iraq's nuclear capabilities (hereinafter referred to as the Plan).

3. Since the last report of 28 October 1992, the IAEA has carried out four inspection missions in Iraq, the Fifteenth (8 - 18 November 1992), Sixteenth (5 - 8 December 1992), Seventeenth (25 - 31 January 1993) and Eighteenth (3 - 11 March 1993) Inspections. The Nineteenth Inspection mission is currently scheduled to take place at the end of April 1993.

DECLARATION OF ITEMS SUBJECT TO THE PLAN

4. In accordance with paragraph 22 of the Plan, Iraq is obliged to declare to the IAEA items subject to the Plan and to provide, inter alia, an inventory of all material, equipment and

other items in Iraq identified in Annex 3 of the Plan. The items in the Annex include those specifically prohibited under resolution 687, as well as others which may be prohibited, depending on their use or intended use, or subject to monitoring under the Plan. As previously reported to the Security Council, the Iraqi authorities' original declaration was inadequate in scope and in form.

5. During the Fifteenth Inspection, the Iraqi counterpart provided the IAEA inspection team with a draft of a revised declaration (10 November 1992). The IAEA team provided detailed comments on the inadequacies which remained. Specifically, the Iraqi counterpart was advised as follows:

a. Iraq is to include in the inventory any relevant items which was present on or after 1 January 1989, even if such items had been destroyed during or after the war.

b. The declaration should be self-contained in the sense that it should not include vague references to previous correspondence.

c. Items required to be declared under paragraph 4 of Annex 3 (equipment or materials referred to in Section 2 of Memorandum B of INFCIRC/209/Rev.1 and in the Annex to INFCIRC/209/Rev.1) should be declared separately under paragraph 4, rather than incorporated within paragraphs 5 - 70 of Annex 3. It was explained to the Iraqi counterpart that there are many INFCIRC/209/Rev.1 items which have no corresponding entry in the other paragraphs of the Annex and which were therefore missing entirely in the most recent Iraqi draft update of its declaration. Furthermore, because INFCIRC/209/Rev.1 is quite detailed in its description of various especially designed or prepared components and equipment, reference

to it will produce a more specific and useful accounting of centrifuge components, for example, than that which appeared in the Iraqi draft.

d. The Iraqi counterpart was also advised of specific questions concerning possible omissions or errors in Iraq's draft declaration of 10 November 1992.

e. The declaration should be comprehensive, including all relevant items in Iraq, not just those belonging to the Iraqi Atomic Energy Commission.

f. Machine tools should be included in the declaration if the manufacturers' specifications correspond to the specifications set out in Annex 3, or if modifications were made in Iraq to meet these specifications. Only the Agency may determine whether the present condition of specific machine tools warrants removal of such machine tools from the inventory.

6. A commitment was made by the Iraqi authorities to submit an amended declaration, which would cover the country as a whole, by the end of 1992. At the end of the Seventeenth Inspection, the Iraqi authorities provided the IAEA team a revised list of Annex 3 items which the Iraqis described as covering the period from 1 January 1989 and including all Annex 3 items which exist or existed in IAEC facilities, universities and State Establishments which supported the IAEC programme. However, the Iraqi counterparts reserved the right to include items which might have been omitted from the list, either through oversight or because they were not thought to be covered by Annex 3, in the next update, which is to be submitted in July 1993.

7. Review of the Iraqi list revealed that the Iraqi authorities had not conformed with the condition identified in 5.e. and 5.f. above. For example, a large number of machine tools inventoried by the Agency in the course of inspections had not been included in the list. During the Eighteenth Inspection mission, 242 additional machine tools were found, a large number of which, in the opinion of the IAEA team, should have been included in the declaration of Iraq under Annex 3. The machine tools have been identified and their present conditions are being evaluated to determine which items may fall outside the specifications set out in Annex 3.

RADIOMETRIC HYDROLOGIC SURVEY

8. The first sampling campaign of Iraqi waterways, begun during the Fourteenth Inspection (31 August - 7 September 1992), was concluded during the Fifteenth Inspection (8 - 18 November 1992). 52 sites throughout Iraq were sampled. The objective of the survey of surface waters are detection and characterization: the detection of undeclared nuclear facilities, and the establishment of a baseline for the longer term monitoring programme.

9. As of the time of this report, final conclusions and recommendations await evaluation of the sample analysis data. However, the current planning for the long term monitoring regime contemplates ongoing hydrologic sampling at key monitoring sites with spot checks at other locations. In terms of logistics, sampling locations in the Kurdish area north and northeast of Mosul gave rise to some difficulties which could require reconsideration of such locations for the purposes of sample taking.

PERIODIC INSPECTION ACTIVITIES

10. A number of short-notice and no-notice inspections were carried out in the last six-month period. In the course of one such inspection during the Sixteenth Inspection, which took place at the Military Industrial Commission (MIC) complex (the former PC-3 Headquarters), a series of events involving failure by Iraq to ensure immediate and unrestricted access to all records which the IAEA and the Special Commission wish to inspect and interference with the right of the IAEA and the Commission to copy records, data and information, took place. These actions amounted to violations by Iraq of the rights of the IAEA and the Special Commission under the Security Council resolutions, the plans approved thereunder, and the Status Arrangements of 14 May 1991. The details of these violations were reported to the Security Council in document S/25013 (24 December 1992). Letters from the Director General of the IAEA and from the Executive Chairman of the Special Commission protesting these violations were sent to the Iraqi authorities.

11. During the Eighteenth IAEA Inspection, a visit was made for the first time to the Saddam University in Baghdad, without prior notice. The Iraqi side initially attempted to seriously restrict the access of the inspection team, but subsequently modified its position. The inspection was conducted by six of the IAEA inspectors, subject to the condition that the seven remaining members of the IAEA team could join the six if any proscribed activity or equipment were found on the premises. No such activity or equipment was found.

NUCLEAR MATERIAL BALANCE

12. Of immediate concern is the recent uncovering of major inconsistencies between the Iraqi declarations concerning nuclear material and the IAEA's analytical results of samples.

Specifically, it appears that the Iraqi authorities may have mischaracterized the origin of certain nuclear material and understated the amounts of material produced and processed in different locations in Iraq or imported from abroad. This gives rise to serious questions about the inventory of nuclear material in Iraq. Iraqi authorities acknowledge the analytical inconsistencies, but have thus far failed to explain the reasons for such inconsistencies and have refused to discuss the matter any further.

In the absence of further clarification by Iraq on this matter, the IAEA must express strong reservations about the completeness of the Iraqi declarations concerning the presence and use of nuclear material.

EQUIPMENT AND MATERIALS

13. Meetings have been held with the Iraqi side to examine the practical arrangements and inspection activities necessary for monitoring the use of various machine tools and other equipment and materials. The Iraqi authorities acknowledged their acceptance of random, short-notice inspections, their willingness to consolidate equipment at a small number of sites to ease the monitoring problem for both sides, their acceptance of the inspection team's right to take samples and to verify the inventory of produced items, and their willingness to create and maintain a system of records and logbooks and to declare in advance and to continuously document the use of monitored equipment.

ENRICHMENT PROGRAMME

14. During the Fifteenth Inspection, the Agency team was able to interview a number of senior scientists and engineers who had been involved in the Iraqi centrifuge programme. These

included individuals who identified themselves as the technical director of the centrifuge programme; a technical advisor on design, manufacturing, material testing and training; a specialist in rotor dynamics who served as a consultant on the mechanical design of rotating components; a material scientist with responsibility in the centrifuge programme for material selection and testing, surface treatment, heat treatment, welding technology and flow forming; and two process engineers with responsibility for process development for UF6 production and design and operation of centrifuge process testing.

15. The Iraqi authorities acknowledged for the first time a connection between the centrifuge programme and the Rashdiya Engineering Design Centre. However, they insisted that other than computer modelling, no experimentation involving hardware in support of centrifuge design ever occurred or was planned to take place at Rashdiya. While this positive development must be acknowledged, the fact remains that, for over a year, the Iraqi authorities had persistently denied any involvement of the Centre at Rashdiya in the centrifuge development programme.

PROCUREMENT-RELATED INFORMATION

16. During the Fifteenth Inspection, the Iraqi authorities reiterated the Iraqi Government's refusal to provide information regarding specific procurements and procurement networks. This position seemed to have been slightly modified during the Sixteenth Inspection, at which time the Iraqi Minister of Higher Education and Scientific Research and present Chairman of the Iraqi Atomic Energy Committee, Dr. Human Abdel Khaliq Ghaffour, informed the IAEA team that the Iraqi authorities would "deal positively" with inquiries from the IAEA regarding the procurement of equipment and materials for the Iraqi nuclear programme. However, follow-

up written requests by the IAEA for such information failed to produce positive responses from Iraq.

17. In the course of the Seventeenth Inspection, the issue was raised again. Although the Iraqi authorities indicated that it was their intention to provide the missing information, they requested a consolidated list of outstanding questions on procurement by the IAEA and the Special Commission, and that such list should only refer to items related to resolution 687. This procedure was objected to by the Chief Inspector, as experience has demonstrated that such an approach produced little information, and, in fact, only generated more questions.

18. The Eighteenth Inspection team did request, once again, in writing, detailed information about foreign procurement and the Iraqi procurement network. The information requested included that related to the procurement of all equipment, components and raw material listed in Annex 3 which were used or intended for use in nuclear-related research, development and production; manufacturers' names; and names of intermediate suppliers and other companies in the procurement chain. Information on companies and individuals which had provided technical advice on procurement, utilization and design information was also requested. As a matter of priority, the Iraqi authorities were requested to provide, as a demonstration of forthcomingness, answers relevant to the procurement of maraging steel, which had been requested in writing in December 1992.

The Iraqi authorities once again refused to provide the information requested, calling the questions too general and aimed at maintaining the conditions for the embargo.

REMOVAL OF IRRADIATED NUCLEAR FUEL ASSEMBLIES

19. Negotiations with the Committee of International Relations on behalf of the Ministry of the Russian Federation for Atomic Energy (CIR Minatom) for the removal, processing and sale or storage of the remaining irradiated nuclear material in Iraq are approaching conclusion. It is anticipated the removal operation will be completed by the end of 1993.

SUMMARY AND CONCLUSIONS

20. The Iraqi Government persists in its refusal to provide the IAEA with information related to foreign procurement and procurement network, in particular as it relates to the Iraqi enrichment programme.

21. Renewed resistance by the Iraqi authorities to providing clarification as to the nuclear material declarations makes impossible a conclusion by the IAEA that all such material has been declared and presented to the IAEA.

22. The shortcomings indicated in paragraphs 20 and 21 above and the continuing discovery of additional material and items which should have been declared by Iraq, but which had not been, prevent the establishment of a technical basis for implementing effectively the long term monitoring of Iraqi activities as foreseen in resolution 715.

23. The problems identified above are compounded by the refusal of the Iraqi Government to formally recognize its obligations under UN Security Council resolutions 707 (1991) and 715

(1991). Iraq has not yet even formally complied with the requirement laid down in paragraph 12 of Security Council resolution 687 (1991), that it accepts the Plan prepared by the Agency and approved by the Security Council.